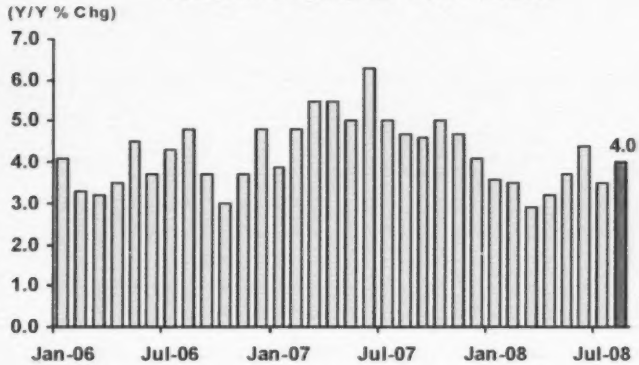
Consumer Price Index

CPI inflation rate rises in August…

After a dip to 3.5% in July, CPI inflation in Alberta rose to 4.0% in August. Energy costs continued to be the main driver of the price increase, as natural gas (+73.7%) and gasoline (+21.9%) both posted strong price gains compared to the same month a year earlier. The drop in prices for vehicles (-8.1%) and furniture (-4.5%) partially offset this. Nationally, inflation rate edged up to a 5-year high of 3.5%. Core inflation also advanced to 1.7% on a year-over-year basis.

Alberta Consumer Price Index



Farm Product Price Index

FPPI continues its upward trend in July…

Alberta farmers continued to enjoy higher prices for their products, up 1.2% from June, as strong livestock prices more than offset a decline in crop prices. On a year-to-date basis, however, livestock prices are still down 5.4% compared to the same period in 2007, mainly driven by a 19.3% drop in hog prices. Crop prices are up 52.4% year-to-date.

Retail Sales

Retails sales slow…

After small gains for two consecutive months, retail sales in Alberta edged down 0.8% month-over-month in July. Compared to July 2007, sales were up 1.0%. Nationally, retail sales inched up 0.1% from June, as the sales increases in five of the eight sectors more than offset the 0.6% sales decline in the automotive sector.

Cdn Dollar (US¢/CS)	
September 26, 2008	96.6
September 19, 2008	95.5
2008-09 YTD	97.6
WTI Oil US$/bbl	
September 25, 2008	$ 108.02
September 18, 2008	$ 97.88
2008-09 YTD	$ 121.48
Nymex Natural Gas CS/MMBtu *	
October Contract	
September 26, 2008	$ 7.63
September 19, 2008	$ 8.11

*Estimate based on Nymex Futures Market Price

Other Developments

U.S. housing slump continues…

In August, U.S. existing home sales dropped 2.2% from July to a seasonally adjusted annual rate of 4.91 million units. On a annual basis, sales were down 10.7%. The median existing home price was also down 9.5% from last year. Meanwhile, new home sales fell to their lowest level in 17 years in August, down 34.5% from a year earlier. The average new home price was also at its lowest level since June 2004.

Financial crisis remains in the headlines…

The 13-month credit crisis claimed another victim on Thursday as Washington Mutual was taken over by the Federal Deposit Insurance Corp. and was later purchased by J.P. Morgan. This is the largest bank failure in the U.S. history. Since the start of the year, 13 U.S. banks have failed amid this financial turbulence.

Talks continue over the US$700 billion bailout package for the financial sector, as congressional Republicans and Democrats cannot reach an agreement on the legislation for the plan.